

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	

REPLY COMMENTS OF ADTRAN, INC.

ADTRAN, Inc. (“ADTRAN”) takes this opportunity to comment briefly on several of the initial comments filed in the Commission’s Further Notice of Proposed Rulemaking regarding broadband subsidies for overlapped and tribal territories.¹ In its initial comments, ADTRAN supported the Commission’s proposal to extend broadband subsidies to areas that had not been addressed by CAF Phase II because the areas were being served by an unsubsidized competitor. In light of the relatively small number of areas that would be affected, ADTRAN did not believe it makes sense for the Commission to create an entirely new mechanism for awarding these subsidies. Thus, ADTRAN urged the Commission to utilize the same performance metrics, including specification of the conversational-opinion test of ITU-T Recommendation P.800 to

¹ *Connect America Fund* et al., WC Docket No. 10-90 et al., FCC No. 18-176, released December 13, 2018, 84 Fed Reg 2132, February 6, 2019 (hereafter cited as *Further NPRM*).

determine whether a high-latency service would provide adequate latency-sensitive services such as voice.²

In discussing the previous subsidy mechanism, ADTRAN also observed that the CAF Phase II auction went relatively smoothly, and that it makes little sense to “reinvent the wheel”. Of course, at this point, it is impossible to know whether the CAF Phase II reverse-auction will ultimately prove successful in spurring the deployment of robust broadband services to unserved and underserved locations in a timely manner, because so far, no new facilities have been deployed under that reverse-auction subsidy program. Some of the other commenting parties made a similar point in their initial comments.³ Moreover, ADTRAN agrees with those commenting parties that explained that a poorly-designed subsidy program could actually reduce rather than expand broadband deployment.⁴ Incumbent broadband service providers would be reluctant to invest in expanded or new deployments if there was uncertainty that their current subsidies could arbitrarily disappear.

Indeed, numerous commenting parties explain that a robust challenge process is essential, because simply relying on the Form 477 data to determine which areas are almost entirely overlapped by an unsubsidized competitor is likely to overstate the areas where the new auctions

² ADTRAN Comments at p. 3.

³ *E.g.*, FWA Comments at p. 5 (“It may be reasonable for the Commission to wait and determine the effectiveness of winning bidders in the CAF II auction process that was pursued in price cap areas.”); WTA at p. 3 (“However, it will not be clear for years whether the CAF Phase II auction will actually be successful in achieving the desired service levels at the “winning” high-cost support bids.”).

⁴ USTelecom Comments at p. 3.

should be utilized.⁵ ADTRAN agrees with these other commenters, and urges the Commission to allow challenges before deeming a territory subject to this new reverse-auction subsidy process.

In addition, ADTRAN agrees with those commenting parties that urged the Commission to adopt a transition mechanism for the incumbent service providers in the event that any reverse auction results in designating subsidies to a new broadband service provider.⁶ A flash-cut termination of subsidies would likely lead to the loss and degradations of services, not merely the chilling of new investment. The resulting disappearance of broadband services is contrary to the goal of ubiquitous, robust broadband service that the Commission is striving to achieve in this proceeding.

ADTRAN applauds the Commission's efforts to further refine its broadband subsidy program. ADTRAN urges the Commission to do so in a manner consistent with the recommendations in its initial comments, as well as consistent with the recommendations of the

⁵ ITTA Comments at pp. 4-5; USTelecom Comments at pp. 5-6; TCA Comments at pp. 2-4; Concerned Rural LECs Comments at pp. 4-10; WISPA Comments at pp. 3-5; FWA Comments at p. 5; WTA Comments at pp. 15-17; NTCA Comments at pp. 2-8.

⁶ ITTA Comments at pp. 11-13; US Telecom Comments at p. 4; Concerned Rural LECs Comments at pp. 14-17; WTA Comments at pp. 13-14; NTCA Comments at pp. 12-13.

other commenting parties supported herein, ADTRAN believes that such a course of action will best serve the public interest.

Respectfully submitted,
ADTRAN, Inc.

By: _____/s/
Stephen L. Goodman
Stephen L. Goodman, PLLC
532 North Pitt Street
Alexandria, VA 22314
(202) 607-6756
stephenlgoodman@aol.com

Counsel for ADTRAN, Inc.

Dated: April 8, 2019